

# Building African Ports through Public- Private partnerships

Intermodal

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# 30 terminals, 22 countries

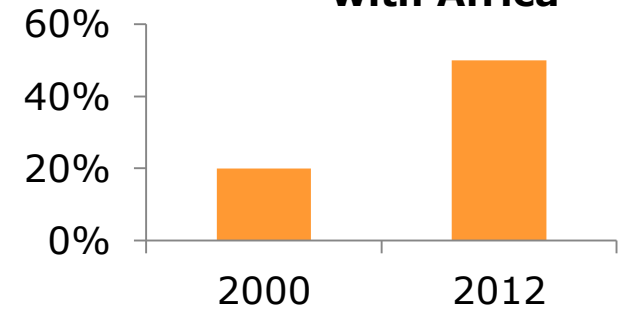


## New trends

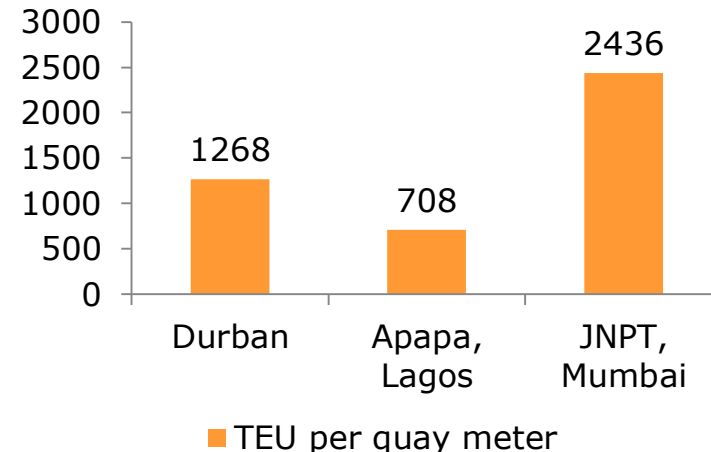


- Trade surge on key corridors; accelerated need for port capacity
- Trade lanes polarizing to Asia, China
- Most terminals privatized since 4-12 years; enough examples of success
- Gradual emergence of sophisticated, green field, private ports
- Dramatically improved productivities over the last decade
- Market now seeks an independent operator; more competition
- Significant strategic and financial capital available for good projects

**Asian share of trade with Africa**



**TEU per quay meter**



# *African ports market*

## Challenges & pitfalls

- Unrealistic transshipment focus
- Unrealistically imbalanced deal structure
- Limited understanding/concern for bankability
- Excessive focus on upfront investment
- Hinterland connectivity



# Select ICTSI experiences in Africa

- ICTSI Toamasina, Madagascar
- ICTSI Lekki, Nigeria
- ICTSI Matadi, DR Congo



# Select case – ICTSI Toamasina, Madagascar

## Productivity gains; costs decline



**THEN**



**NOW**



### Project & key developments

- Concession term (starting 2005) 20 years
- Quay Length 287 m
- Yard space 12 ha
- Max vessel draft 12 m
- Invested several million dollars in infrastructure, equipment, training and IT
- Dramatic improvements have taken place since:
  - Volume doubled to over 200,000 TEUs in 6 years
  - Vessel productivity 5-6 moves to 40-45 moves
  - Vessel waiting time from 96 hours down to zero
- Caused a tariff decline by around 20%; a rarity
- Has emerged as a brilliant transshipment alternative in the Indian Ocean region
- Through this PPP model, Madagascar authorities have achieved their original objectives of tariff reduction, labour absorption and postponement of infrastructure investment
- Second phase near completion; capacity to 400K TEUs

# Select case – ICTSI Lekki (Lagos), Nigeria

## Future proof infrastructure



### Project & key developments

- Quay Length 1200 m
- Max vessel draft 16.5 m
- Capacity 2.5 mill. TEU
- Max vessel 10,000 TEUs

### Project status

- Concession and permits ✓
- Land secured ✓
- FEC approval ✓
- Construction contract ✓

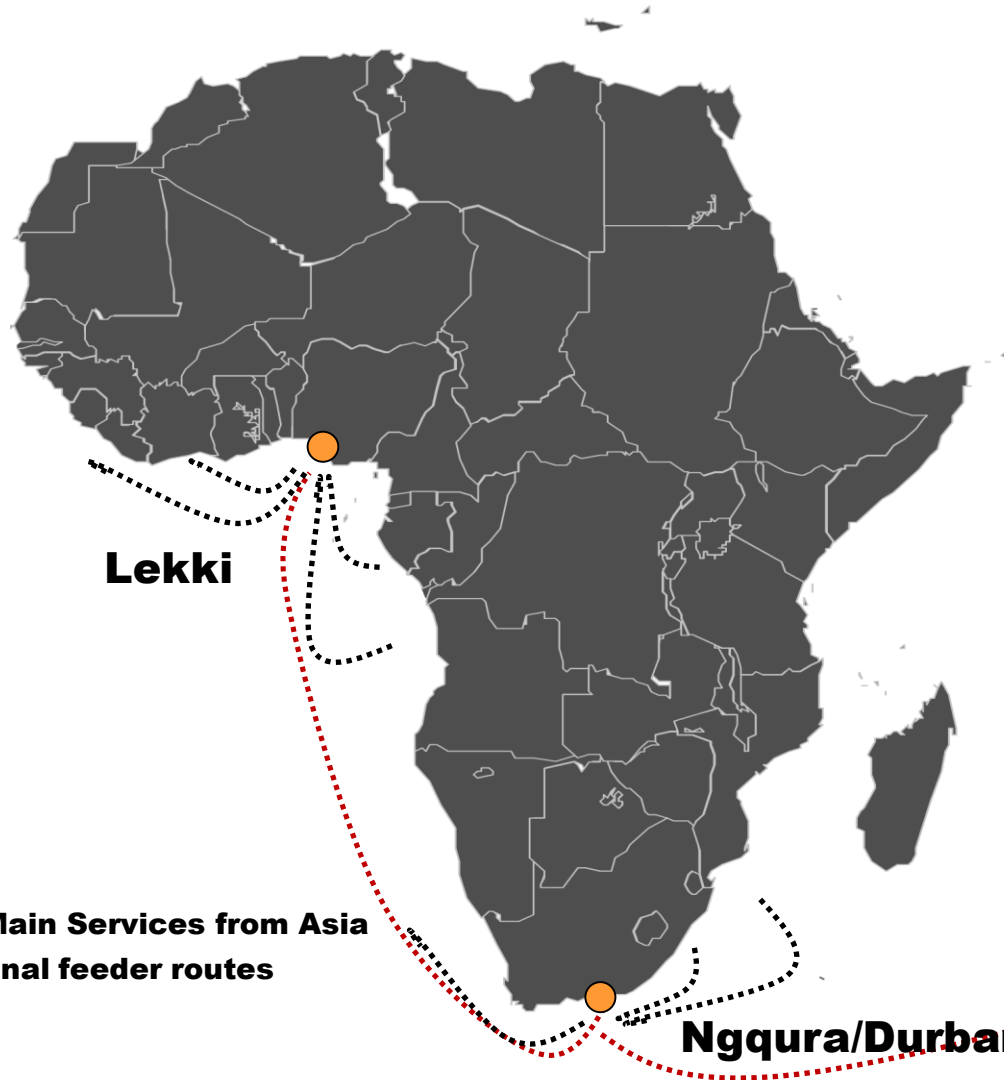
### Project advantages

- Solid alternative to the congested Lagos port
- Nigeria needs bigger ships, Lekki will provide the depth
- Regional distribution hub along the West Africa coast
- Situated within a Manufacturing and Logistics Free zone
- Project is due to commence operation in 2018



## Select case – ICTSI Lekki (Lagos), Nigeria

Lekki will change the way Africa trades with the world



- Potential Africa service map 2018 onwards
- Major transshipment in largest markets
- Significant slot cost reduction
- Lower freight rates and higher efficiency
- More competition

8,000 – 10,000 TEU vessels



## Select case – ICTSI Lekki (Lagos), Nigeria

### Why Lekki represents an optimum PPP model for Africa?



- Pivoted around a master plan view
- Takes port activity out of the city
- Overall responsibility in local, private hands
- Operational execution outsourced to ICTSI
- Government has upside as shareholder; control as regulator
- Project not end; only means (FTZ)
- Focus on creating competition



*Lekki is well connected to its main markets*



*Signing of EPC contract between Tolaram and CHEC*

# Select case – ICTSI Matadi, D. R. Congo

## Private port; quick & quality capacity



### Project description

- Quay Length 350 m
- Draft 12 m
- Flexible ability to handle bulk and container
- Capacity 120,000 TEUs + 350k MT break bulk
- Expansion potential 250,000 TEUs

### DRC Container Supply chain

- DRC is size of Western Europe
- Only port handles a mere 140,000 TEUs; extremely congested
- Example transportation leg
  - Shanghai to Singapore (or another Asian hub)
  - Singapore to Pointe Noire (Mother ship)
  - Pointe Noire to Matadi (Small river going ship)
  - Matadi to Kinshasa (Truck)
- Possibly the costliest container supply chain globally



# Select case – ICTSI Matadi, D. R. Congo

## Project location



# Select case – ICTSI Matadi, D. R. Congo

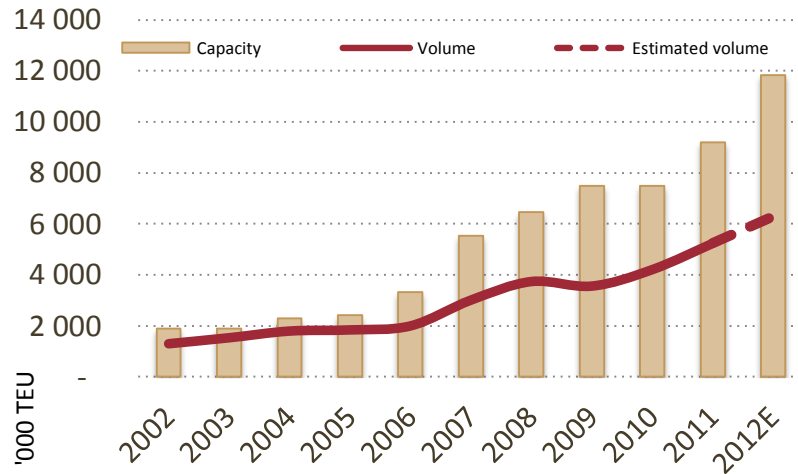
## Rendering



# About ICTSI



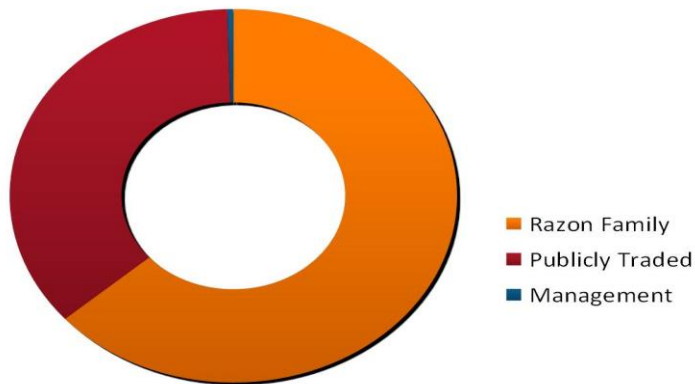
## ICTSI is the fastest growing port operator globally



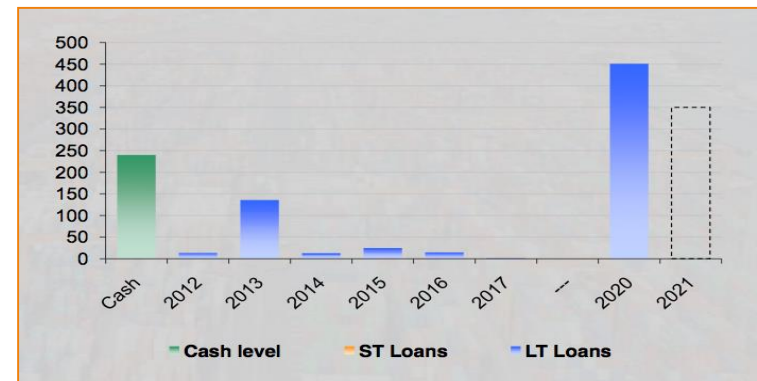
## ICTSI is a truly independent operator



## Ownership structure allows agility and governance



## ICTSI is financially strong and very acquisitive



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